

W a s h i n g t o n   S t a t e

# Office of the Insurance Commissioner

## 2005 Legislation Wrap-up

Interstate Compact <a href="#">HB 1032</a>	This is an NAIC model act that allows for uniform national filings of life insurance and certain other designated insurance products. <b>Status:</b> Signed by Governor 4/20/05
Corporate Owned Life Insurance <a href="#">SB 5196</a>	Some employers purchase insurance on the lives of employees without the knowledge or consent of those employees. Coverage is often continued even after the employee no longer works for the company. This bill restricts employer life insurance purchases to “key” staff and requires written consent before the life of the person can be insured for the benefit of their employer. <b>Status:</b> Signed by Governor 5/9/05
Financial Early Warning System <a href="#">HB 1034</a>	The Commissioner currently has authority to seek a court order placing an insurer into receivership when the company is approaching insolvency. This proposal would give the OIC authority to intervene short of receivership when statutory indicators demonstrate that an insurer is becoming financially distressed. <b>Status:</b> Signed by Governor 5/13/05
Confidentiality of Examiner Working Papers <a href="#">SB 5317</a>	The working papers of OIC insurance examiners are currently subject to public disclosure. Other states, where examiner papers are confidential, have not permitted our examiners to participate in joint examinations. The inability to participate in joint or “zone” exams raises costs for both the OIC and insurers. This bill would permit the Insurance Commissioner to keep the papers confidential, but not allow companies to hide otherwise confidential documents. <b>Status:</b> Signed by Governor 4/21/05
USL&H Guaranty Fund <a href="#">SHB 1196</a>	This bill creates a separate account in the Washington Insurance Guaranty Fund to cover U.S. Longshore and Harbor Workers’ Compensation Insurance. <b>Status:</b> Signed by Governor 4/20/05. Companion bill ESB 5194 was vetoed on 4/22/05
Minor Substantive Code Amendments <a href="#">SHB 1197</a>	Makes clarifying amendments, both technical and minor substantive, to statutes in the insurance code. <b>Status:</b> Signed by Governor with <a href="#">partial veto</a> of sections identical to SB 5198 on 4/22/05
Medicare Supplement <a href="#">SB 5198</a>	This bill amends the Medicare Supplement Chapter to be consistent with federal changes that resulted from the Medicare Modernization Act. <b>Status:</b> Signed by Governor 4/13/05
Grievance and Appeals	Clarifies the grievance and appeals processes for health plans and allows for more uniform standards for state-purchased plans, ERISA plans, and OIC-regulated plans. <b>Status:</b> House and Senate versions died. We will continue to press for administrative streamlining measures

Health Insurance Reform	<p>The bill significantly reduces premiums for small employers by pooling the cost of covering the highest cost enrollees in the private health insurance market. Individuals and large employers also experience reduced premiums. Some of the pool's savings are used to help low-income uninsured individuals afford health insurance. The bill also reduces the cost of uncompensated care now absorbed by doctors, hospitals, and other health care providers.</p> <p><b>Status:</b> Withdrawn after peer review process in February. We will continue to work on issue during interim.</p>
Malpractice Insurance Reform	<p>Establishes an entity to provide excess medical malpractice insurance coverage for medical facilities and providers to help stabilize extreme fluctuations in rates.</p> <p><b>Status:</b> Both the Senate and House bills introduced as alternatives to ballot initiatives died. Initiatives 330 and 336 will be voted on in the November 2005 election.</p>